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March 13, 2015

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Petition of Duke Energy Carolinas, LLC for an Accounting Order to Eliminate the
Expense Provision for Nuclear Decommissioning Cost
Docket No. 2015-96-E

Dear Ms. Boyd:

This is to inform the Public Service Commission of South Carolina ("Commission") that the Office of Regulatory Staff ("ORS") has reviewed and discussed with Duke Energy Carolinas, LLC ("DEC" or the "Company") personnel the Company's filing in the above referenced Docket. Based on the information provided, ORS has no objection to the Company's Petition for an accounting order, effective January 1, 2015, to eliminate the provision for nuclear decommissioning expense included in the cost of service and used to fund DEC's Nuclear Decommissioning Trusts ("Trusts"). The Company also requests, and ORS does not object, to defer into a regulatory liability account the amount included in current rates to fund the Trusts and to use this account to offset environmental remediation costs associated with permanently closing ash storage units at DEC's coal-fired generating facilities. If approved, this regulatory liability account will not be used by the Company for clean-up costs, fines or penalties stemming from the February 2, 2014 release of coal ash into the Dan River.

The Company submits periodic reports to the Commission updating its status of the Trusts. On April 8, 2014, DEC filed Decommissioning Cost Analyses for its seven nuclear units located at the Oconee, McGuire and Catawba Nuclear Stations pursuant to Order No. 91-1022 in Docket No. 1991-216-E. As demonstrated in the report, the current Trusts balances are sufficient and no additional funding is required.

(Continued...)

Jocelyn G. Boyd, Esquire

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ORS's position is predicated on the basis that the issuance of an accounting order in this matter will not preclude the Commission or any other party from addressing the reasonableness of the Company's expenses in a subsequent general rate case or other proceeding.

Thank you for the opportunity to provide comments on this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "John W. Flitter", with a stylized flourish at the end.

John W. Flitter

JWF/swh

cc: Nanette S. Edwards, Deputy Executive Director, ORS
Jeffrey M. Nelson, Chief Counsel and Director of Legal Services, ORS
Frank R. Ellerbe, III, Esquire
Heather S. Smith, Deputy General Counsel, DEC
Dr. James Spearman, Executive Assistant, SC PSC